

Message Text

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ORIGIN PM-03

INFO OCT-01 EUR-12 ISO-00 TRSE-00 OMB-01 L-02 DODE-00 EB-07

COME-00 AID-05 CIAE-00 INR-07 NSAE-00 SP-02 /040 R

DRAFTED BY DOD/DSAA:RBETTELEY-PM/SAS:RSMITH:DD

APPROVED BY PM/SAS:SWINSHIP

EUR/SE - MR. DAY

TREASURY- MR. NENSEL

OMB - MR. MANTEL (INFO)

L/PM - MR. BOREK (INFO)

PM/SAS - MR. JAMES

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P R 062232Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS PRIORITY

INFO USCINCEUR

C O N F I D E N T I A L STATE 105920

E.O. 11652:GDS

TAGS:MASS, GR

SUBJECT:NATIONAL AVIATION EQUIPMENT INDUSTRY (EBAY PROJECT)

REFERENCE: (A) ATHENS 3348 (B) STATE 089052

1. WE HAVE NO OBJECTIONS TO GOG PROPOSAL THAT 25 MILLION DOLLARS LOAN FOR EBAY PROJECT BE DRAWDOWN PRIOR TO JUNE 1 AND FUNDS PLACED IN BLOCKED DOLLAR ACCOUNT, PROVIDED THAT SUCH ACCOUNT IS IN US BANK LOCATED IN US. BLOCKED FUNDS WOULD BE EXCLUSIVELY RESERVED FOR EBAY PROJECT. WE WOULD REQUIRE WRITTEN ASSURANCES FROM GOG THAT EACH DISBURSEMENT FROM BLOCKED ACCOUNT WOULD BE MADE ONLY WITH SPECIFIC DOD AUTHORIZATION. SUCH AUTHORIZATION WOULD BE GIVEN ONLY UPON RECEIPT OF ADEQUATE EXPLANATION OF PURPOSE OF EACH DISBURSEMENT. IN ADDITION, WE WOULD NEED INITIAL EVIDENCE OF CONTRACTUAL RELATIONSHIP BETWEEN GOG AND US CORPORATIONS TO CONFIDENTIAL

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WHICH PAYMENTS FOR GOODS AND SERVICES IN US ARE TO BE MADE.

2. WHILE DECISION TO UTILIZE 25 MILLION DOLLARS USG-GUARANTEED FMS CREDIT FOR EBAY PROJECT RATHER THAN AIRCRAFT

PROGRESS PAYMENTS IS ULTIMATELY THE RESPONSIBILITY OF THE GOG, WE BELIEVE THAT GREEKS SHOULD BE AWARE THAT, BASED ON RECENT EXPERIENCE, FY 76 FMS CREDIT MAY WELL BE UNAVAILABLE DURING FIRST AND POSSIBLY SECOND QUARTER. FIRST QUARTER FY 76 PROGRESS PAYMENTS ON A-7, T-2, AND C-130 PURCHASE WILL BE ABOUT 30 MILLION DOLLARS AND SECOND QUARTER 37 MILLION DOLLARS. SINCE THESE PAYMENTS CANNOT BE DELAYED, GOG MUST BE PREPARED TO MEET THEM WITH ITS OWN FINANCIAL RESOURCES UNTIL FY 76 FMS CREDIT IS AVAILABLE.

3. WOULD APPRECIATE NOTIFICATION IF GOG DECIDES TO ACCEPT IMMEDIATE DRAWDOWN OF FUNDS WITH CONDITIONS DESCRIBED IN PARA 1 ABOVE. KISSINGER

CONFIDENTIAL

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Message Attributes

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